

## Message Text

UNCLASSIFIED

PAGE 01 USUN N 04843 290240Z

10

ACTION IO-13

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15

USIA-15 AF-08 ARA-10 EA-09 NEA-10 TRSE-00 ABF-01

OMB-01 /121 W

----- 129224

R 290149Z OCT 76

FM USMISSION USUN NY

TO SECSTATE WASHDC 0271

INFO AMEMBASSY MOSCOW

UNCLAS USUN 4843

E.O. 11652: N/A

TAGS: AORG, UN

SUBJ: UN FINANCES - COMMITTEE OF 54

REF: USUN 4747

1. SUMMARY: COMMITTEE ON THE UN FINANCIAL EMERGENCY HEARD TOUGH SOVIET STATEMENT OCTOBER 26 REJECTING CHAIRMAN BOATEN'S GUIDELINES PAPER, AND DECIDED TO PREPARE A REPORT THAT IT WAS UNABLE TO REACH AGREEMENT ON A SOLUTION TO UN FINANCIAL PROBLEM. END SUMMARY

2. NEGOTIATING COMMITTEE ON THE UN FINANCIAL EMERGENCY (COMMITTEE OF 54) HELD A RELATIVELY BRIEF MEETING OCTOBER 27 FOR THE PURPOSE OF HEARING THE LONG-DELAYED SOVIET STATEMENT ON THE GUIDELINES PROPOSED BY CHAIRMAN BOATEN. THE SOVIET STATEMENT, DELIVERED BY ANATOLI GRODSKI, WAS A HARSH REJECTION OF MAJOR ELEMENTS IN THE GUIDELINES PAPER. THIS EFFECTIVELY PUT THE QUIETUS ON THE COMMITTEE'S WORK, AND IT REMAINED ONLY TO FIND A GENERALLY ACCEPTABLE WAY OF EXPLAINING ITS FAILURE TO THE GENERAL ASSEMBLY. IT WAS DECIDED THAT A REPORT WOULD BE PREPARED FOR THE COMMITTEE'S APPROVAL WHICH WOULD SUMMARIZE THE MAJOR POINTS OF VIEW  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 USUN N 04843 290240Z

EXPRESSED SINCE THE COMMITTEE BEGAN WORK LAST SPRING,

WITH THE GUIDELINES PAPER ATTACHED AND POSSIBLY LABELED QTE AS A BASIS FOR FUTURE DISCUSSION UNQTE. IT REMAINS TO BE SEEN WHETHER THE SOVIETS WILL AGREE TO LETTING THE GUIDELINES PAPER GO FORWARD AT ALL. THE COMMITTEE TOOK NO DECISION ABOUT WHETHER OR NOT TO RECOMMEND THAT ITS MANDATE BE RENEWED FOR ANY ADDITIONAL PERIOD OF TIME.

3. THE USSR BEGAN BY CONCEDED THAT THERE WERE SOME POSITIVE FEATURES OF THE GUIDELINES, PARTICULARLY THE IDEA OF REMOVING THE FINANCING OF BONDS FROM THE BUDGET AND THE IMPOSITION OF STRICT CONTROLS ON BUDGETARY GROWTH. IT THEN CAME DOWN HARD ON THREE ELEMENTS OF THE GUIDELINES: (1) THE ARGUMENT THAT PARTIAL AND TARDY PAYMENTS ARE ONE OF THE MAIN CAUSES OF THE LIQUIDITY CRISIS. (IN FACT, IT SAID, THE MAIN CAUSE IS ILLEGAL PEACE-KEEPING ACTIVITIES. TARDY PAYMENTS WERE NEVER A PROBLEM BEFORE THE 1960'S AND PARTIAL PAYMENTS ARE SIMPLY THE RESULT OF THE ILLEGAL EXPENSES IN THE REGULAR BUDGET.) (2) THE PROVISIONS THAT BOND SERVICE SHOULD BE FINANCED OUT OF GENERAL INCOME. (THOSE WHO PUSHED THE UN INTO ILLEGAL ACTIVITIES WHICH GAVE RISE TO THE EXPENSES ARE RESPONSIBLE, AND THEREFORE THE BONDS SHOULD BE SERVICED ON A VOLUNTARY BASIS.) (3) FURTHER FINANCING OF TECHNICAL ASSISTANCE FROM THE REGULAR BUDGET (EVEN PRESENT LEVEL IS NOT IN ACCORD WITH THE CHARTER, AND IT IS ILLEGAL TO COUNT AS PART OF THE DEFICIT THE UNUSED AMOUNTS PAID BY MEMBERS IN THEIR OWN CURRENCIES).

4. GDR (HUCKE) REPEATED THE ESSENTIALS OF THE SOVIET LINE IN A SOMEWHAT SOFTER MANNER, CALLING THE GUIDELINES A STEP FORWARD ON SOME ESSENTIAL ISSUES BUT NOT FULLY ACCEPTABLE.

5. PAKISTAN (KEMAL) DEPLORED FACT THAT A PAPER WHICH HAD AVOIDED BLAMING ANY SIDE HAD NOT WON GENERAL APPROVAL. HE POINTED OUT THAT IF EVERY MEMBER PAID ON TIME, \$10 MILLION YEARLY COULD BE SAVED, WHICH COULD BE USED TO HELP FINANCE THE BONDS. HE DOUBTED THAT THE DEVELOPING COUNTRIES WOULD AGREE TO TAKE TECHNICAL ASSISTANCE OUT OF THE REGULAR BUDGET.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03      USUN N 04843 290240Z

6. IN THE DISCUSSION WHICH FOLLOWED ABOUT WHAT THE COMMITTEE SHOULD DO NEXT, ONLY THE PHILIPPINES, GREECE, FRG, FRANCE, US, AND CANADA PARTICIPATED. GREECE'S SUGGESTION THAT THE RAPPORTEUR PREPARE A DRAFT REPORT WAS SUPPORTED BY OTHERS, AND THERE WAS NO OBJECTION TO FRG'S SUGGESTION THAT THE CHAIRMAN'S GUIDELINES BE ANNEXED AS A BASIS FOR FUTURE DISCUSSION. US WAS AMONG THOSE SUPPORTING

THE FRG PROPOSAL, MAKING CLEAR HOWEVER THAT IT HAD MANY  
PROBLEMS WITH THE GUIDELINES. CANADA SUGGESTED THAT CHAIRMAN  
BOATEN REEXAMINE HIS GUIDELINES IN THE LIGHT  
OF DEVELOPMENTS, BUT BOATEN SAID THAT AFTER LISTENING  
TO THE DEBATE JUST CONCLUDED HE DOUBTED THAT FURTHER REVISIONS  
WOULD IMPROVE THE SITUATION.  
SCRANTON

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 OCT 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976USUNN04843  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760403-1061  
**From:** USUN NEW YORK  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t1976102/aaaaabpt.tel  
**Line Count:** 122  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION IO  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 USUN NEW YORK 4747  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ellisoob  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 19 AUG 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <19 AUG 2004 by cookms>; APPROVED <04 JAN 2005 by ellisoob>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** UN FINANCES - COMMITTEE OF 54  
**TAGS:** AORG, UN  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006